

Internal Revenue Service, Treasury

§ 48.4061(a)-1

(2) *State or local government.* For purposes of paragraph (c)(1)(i) of this section a “vessel is being used by a State or local government” if it is operated by any State, the District of Columbia, or any political subdivision of a State. If a private party is contracted to haul for a State or local government, the vessel is not “being used by a State or local government.” Similarly, if a person other than a State or local government is contracted to supply vessel operators, the fuel consumed by the vessel is not used “by a State or local government,” regardless of ownership of the vessel. However, when a local government leases barges and employees of the local government operate the barges, the vessel is being used by the local government.

(3) *Government business.* The test for whether a vessel is being used “in transporting in a State or local government’s business,” within the meaning of paragraph (c)(1)(ii) of this section, is whether the ultimate use of the cargo is for a function which is ordinarily carried out by governmental units. For example, when the cargo transported is salt to be spread on icy roads, the vessel is being used “in transporting in a State or local business” because the use to which the cargo will be put (road maintenance) is a function ordinarily performed by governmental units. Fuel consumed in a vessel transporting property for compensation or in furtherance of a business not ordinarily carried out by a governmental unit is not exempt from taxation by section 4042(c)(3).

(d) *Ocean-going barges.* Under section 4042(c)(4), the tax imposed by section 4042(a) does not apply to fuel consumed by tugs moving exclusively barges released by ocean-going carriers solely to pick up or deliver international cargos. The tax exemption provided by section 4042(c)(4) applies to LASH barges, SEABEE barges, and all other ocean-going barges carried aboard ocean-going vessels. There is no exemption under section 4042(c)(4) while:

(1) One or more of the barges in the tow is not a LASH barge, SEABEE barge, or other ocean-going barge carried aboard on ocean-going vessel; or

(2) One or more of the barges in the tow is not on an international voyage; or

(3) Part of the cargo in the tow is not being transported internationally.

[T.D. 7727, 45 FR 70862, Oct. 27, 1980]

Subpart H—Motor Vehicles, Tires, Tubes, Tread Rubber, and Taxable Fuel

SOURCE: T.D. 6648, 28 FR 3633, Apr. 13, 1963, unless otherwise noted.

AUTOMOTIVE AND RELATED ITEMS

MOTOR VEHICLES

§ 48.4052-1 Heavy trucks and trailers; certification requirement.

(a) *In general.* Tax is not imposed by section 4051 on the sale of an article for resale or leasing in a long-term lease if, by the time of sale, the seller has in good faith accepted from the buyer a statement that the buyer executed in good faith and that is in substantially the same form, and subject to the same conditions, as the certificate described in § 145.4052-1(a)(6) of this chapter, except that the certificate must be signed under penalties of perjury and need not refer to Form 637 or include a registration number.

(b) *References to § 145.4052-1(a)(2) of this chapter.* References to § 145.4052-1(a)(2) of this chapter appearing in § 145.4052-1 of this chapter apply also to paragraph (a) of this section.

(c) *Effective date.* This section is applicable after June 30, 1998. In addition, tax is not imposed on a sale occurring after December 31, 1997, and before July 1, 1998, if the conditions of paragraph (a) of this section are satisfied.

[T.D. 8879, 65 FR 17155, Mar. 31, 2000]

§ 48.4061(a) [Reserved]

§ 48.4061(a)-1 Imposition of tax; exclusion for light-duty trucks, etc.

(a) *Imposition of tax—(1) In general.* Section 4061(a)(1) imposes a tax on the sale by the manufacturer, producer, or importer of the following articles (including in each case parts and accessories therefor sold on or in connection therewith or with the sale thereof):